

Deferred Compensation Committee Meeting

April 13, 2006

8:30 am

Present:

x Tom Hartman		Jerry Hart (advisory)
X Brad Woodford	Valerie Hernandez (advisory)	Marlene Pontrelli (advisory)
X Dave Scott (alternate)	X Dave Merkel (alternate)	X Joe Schiefer
X Sylvia Cardenas (alternate)	X Rick Rager	X Edith Ross
	X Carol Martsch	X Julie Hietter (secretary)
X Scott Taylor (Great West)	Brent Watkins	Jon O'Connor (alternate)

Julie introduced Sylvia Cardenas as the new alternate for Tempe Supervisors Council (TSC).

Action Items:

- Work with Scott Taylor on interspersing investment selection workshops with the monthly new enrollment meetings (Julie)
- Follow up with Marlene on Reality Investing (financial advice) – (Julie)
- Provide sample communication materials on Roth 401(k)s in advance of next meeting – (Scott)
- Combine the 3 pieces of the Fund Selection and Fund Review policies into one document (Julie)
- Research the ability for the Plan to set a limit on how much a participant can transfer into a self-directed brokerage account (Scott)
- Schedule next month's meeting for further discussion on self-directed brokerage accounts and how to assess employees' interest (Julie)

Old Business

Templeton Foreign: Discussed possible dates for removing Templeton Foreign from portfolio and transferring assets to Julius Baer. The earliest this could occur is May 16th assuming the City assisted Great West with a mailing to communicate this change. Another date would be mid-August with communications going out in second quarter participant statements (mid-July). Our plan is limited to once per year for any changes involving adding and removing funds.

Joe moves to remove the fund and transfer assets in August, following notification to participants in the second quarter statements. Carol seconds. All in favor and the motion carries.

Automatic Enrollment: Each representative provided feedback on their informal survey of the concept of Automatic Enrollment (for new hires). Brad moves that the Committee not adopt a policy of automatic enrollment. Tom seconds. All in favor and the motion carries.

There is consensus that employees could use more education and information on selecting among the funds for their long-range goals. Julie will work with Scott on decreasing the number of new enrollment meetings and adding in some workshops for existing participants on fund selection.

Roth 401(k): Julie gave an update on administering Roth 401(k)s. The PeopleSoft system can handle this. It is recommended that implementation be after the upgrade to the new version of PeopleSoft (early in 2007). The decision whether or not to add a Roth 401(k) is tabled until the next meeting when the Committee will review Great West's communication materials.

Reality Investing: No update

Fund Review/Fund Selection policy – Tom and Rick presented their draft of a "Mission Statement" and Fund Selection policy. Brad moves to adopt the policies as drafted with one change from "widest possible array" to "a wide array". Joe seconds. All in favor and the motion carries.

Fund Options for the remaining open slot – The committee reviewed the options presented by Great West. The discussion then turned to Self-Directed Brokerage Accounts as an option for that slot. Discussion on how we would begin to communicate what a self-directed account is to employees in order to assess their interest in adding as an option. This is tabled to a future meeting to be scheduled next month.

The meeting is adjourned at 10:15 a.m.